Medicaid Expansion Policy Options

Medicaid Renewal Process under Affordable Care Act (ACA)

Vision
The Affordable Care Act (ACA) requires that individuals remain enrolled as long as they meet eligibility standards and proposes the use of data-driven renewal policies and procedures for individuals determined eligible based on Modified Adjusted Gross Income (MAGI). Health Care Authority (HCA) plans to implement an automated renewal process using available data matches for MAGI eligible individuals to include a simplified renewal process for individuals where data matches are not available or inconsistent.

Proposal
HCA proposes the following renewal process for individuals receiving Medicaid based on MAGI (currently 800,000 individuals in family, childrens and pregnancy medical and anticipated 400,000 in the newly eligible adult Medicaid group).

- System will auto renew, without consumer interaction, cases where data matches are consistent and the household remains eligible using MAGI determinations.
- Renewal award letters will state income used by the current data match and request the consumer respond if the income used is not correct.
- Cases that do not auto renew, due to no data match available or inconsistencies in the different data matches will be sent a system generated pre-populated renewal requesting a confirmation on current income and circumstances.

Description of Issues and Risks
The automated renewal process will require unique system requirements and algorithms. Currently the department uses interfaces with other systems to determine continued eligibility however; the results of the interfaces are worked with human interaction and decision making. The following system issues will need to be addressed:

- What range and how will the system consider a data match consistent when results differ between matches?
  - Both declared income in ACES and income found in data match are both under Medicaid standards – approve and send award letter
  - Income in ACES is under Medicaid standards but data match income is above Medicaid standards – send pre-populated review with data match information
  - Income in ACES and income from data match both above Medicaid and place recipient in the Premium Tax Credit Subsidy – send letter referring individual to the exchange for Premium Tax Credit eligibility determination
- Pre-populated renewal using income already in the system or received by the data match will need to be developed with the ability for consumers to respond on-line as well as by mail and phone.

- Pre-populated renewal and award letters will need to be designed to look different than our letters look today so consumers realize they need to respond if the information is not correct.
- System solutions will be required between the Exchange and Medicaid to coordinate how consumers will move between Medicaid/CHIP/Basic Health and the Premium Tax Credit Subsidy if income changes at renewal.
- Decisions will need to be made on how to convert the current 800,000 consumers receiving family, childrens and pregnancy medical to the Exchange. Will all current recipients need to go to the Exchange to complete their first MAGI renewal or can some recipients be converted and sent an award letter or pre-populated review?
- Since existing household compositions are not based on the federal tax filing unit, it will complicate converting cases at renewal time into the Exchange.

Moving Forward

As important as it is to create a simplified and seamless system for consumers to apply for Health benefits; it is as important to create a simplified and seamless process to renew benefits and reduce the number of families who lose Medicaid simply for failure to complete the renewal process.

Automated data matching and conversion requirements differ from how we do business today and will require a decision as soon as possible to begin system requirements if we are to be ready for implementation January 1, 2014.

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